

Nevada Well Driller's Annual Newsletter June 2013

State of Nevada Division of Water Resources

> Service Since 1903

Message from Jason King, State Engineer

Well (no pun intended) from the reports we've all been hearing and reading about, it does appear that the economy is improving. Not unlike just about every business in Nevada, I know the downturn has taken its toll on the well industry too. I appreciate all the good work that you've done and continue to do and sympathize with how hard it is in these times. As I am sure all of you are aware, the new well drilling regulations were published this past September 2012. Thank you for your input into the revision. I believe each revision brings better clarity to the work that you do and how we are going to regulate it. As a result of the new regulations, the written portion of the licensing exam has been updated to reflect the changes in the new regulations. In addition to the new regulations, Tim Wilson, P.E., has taken over the Well Drilling and Adjudications Section here in Carson City, which oversees the well drilling program statewide. Tim has over 17 years of varied experience within the division and is very knowledgeable about well drilling.

As I write this message, we are two thirds our way through the 2013 legislative session. We have been tracking approximately 20 bills that are related to the activities we perform, but none have been passed to the point where they've been approved by the governor. Only 1 of the 17 proposed bills affect how you conduct business and that is a bill that our office submitted that increases our existing fees and proposes four new fees. Senate Bill 468 increases our existing fees by 20% (with a few exceptions) and one of the four new fees proposed is to charge \$25 for the filing and examining of a Notice of Intent to Drill card (NOI). We've already heard from a few drillers that they are concerned about getting the NOI approved timely since a fee must also be submitted. If SB 468 does pass, we will work with you to streamline this process so that delays are minimized or eliminated altogether.

Another emerging issue is that of oil and gas exploration in Elko County. I'm sure all of you have heard the rumblings associated with the process called hydraulic fracturing or fracking. This is the process of forcing a mixture of water, sand and chemicals down a gas or oil well under extremely high pressure with the goal of cracking previously impermeable rock (typically shale) to create fractures that will allow trapped oil and/or gas deposits to flow to the surface. Noble Energy is hoping to do just that in Elko County (see article on Page 4). Currently there is a bill in the legislature that addresses the regulation of fracking and is working its way through the process. Nevada Division of Environmental Protection, Nevada Department of Minerals and our agency will be very active in this regulatory process.

Lastly, I hope you frequent our website as we work hard on keeping it updated with timely information, including well driller logs and schedules for CEU courses. As always, all of you play an important role in protecting the most precious resource in our state, our water, and I can't thank you enough for everything you do.

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Contact Directory

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Southern Nevada Office 702-486-2770

Division of Water Resources 400 Shadow Lane Suite 201 Las Vegas, NV 89106

Water Well & Drilling Questions

Carson City Office Hamilton Reed Mark Sivazlian Lynette Johnson

Southern Nevada Office Tracy Geter Steven Martinez

Drillers License, Exam and Continuing Education Questions

Carson City Office Mark Sivazlian

Southern Nevada Office Tracy Geter

Other Useful Contacts

Division of Environmental Protection

Water Pollution Control Jeryl Gardner (775) 687-9423 **ndep.nv.gov**

Nevada State Contractors Board

Henderson Office Reno Office (702) 486-1100 (775) 688-1141



You can view the web for your carryover CEU's

Just go to our website at <u>water.nv.gov</u>, click on the "Programs" tab. Under the "Well Drillers" topic, click on the "2013 Carryover of Driller's CEU credits".

CHECK OUT OUR WEB SITE

water.nv.gov and click on "Programs" tab

Statewide Well Driller's Advisory Board Members

Advisory Board Member's Name	License Number	Company	Location
Roger Thrall	1132	Aqua Drilling Company	Reno, NV
Fred B. Allen III	1301	Allen Drilling, Inc.	Las Vegas, NV
Gary (Layne) Harris	1698	Nevada Newmont	Elko, NV
Daniel Kohlman (alternate)	2193	Boart Longyear	Elko, NV
Harlen (Andy) Andresen (alternate)	1028	Andresen Exploration Drilling	Reno, NV

Upcoming Well Drillers Exam Dates

June 20, 2013 – Written Examination parts I & II is given in Carson City, Elko and Las Vegas

July 18, 2013 – Written Examination parts I & II is given in Carson City, Elko and Las Vegas

August 7, 2013 – The Board meets in Carson City to conduct interviews (part III)

August 8, 2013 – The Board meets in Las Vegas to conduct interviews (part III)

September 19, 2013 – Written Examination parts I & II is given in Carson City, Elko and Las Vegas

October 17, 2013 – Written Examination parts I & II is given in Carson City, Elko and Las Vegas

November 7, 2013 – Board interviews, part III, meets in Carson City

November 8, 2013 – The Board meets in Las Vegas to conduct interviews (part III)

December 19, 2013 – Written Examination parts I & II is given in Carson City, Elko and Las Vegas

The Well Drillers Exam consists of three parts:

- I.) A written examination to determine the applicant's knowledge of the rules and regulations for drilling wells in the State of Nevada.
- II.) Identification of a well location on a topographic map by full legal description.
- III.) An oral interview by the Statewide Well Driller's Advisory Board regarding the applicant's experience and knowledge of general drilling practices.

Well Drilling Activity Update

January and February 2013 started off slow, but an analysis of Notice of Intent Cards shows that projected submittals for 2013 should be similar in number to 2012. These numbers show a significant increase from 2011. 718 NOIs for 2011

1,206 NOIs for 2012

299 NOIs for 2013 (January 1 - April 22)



Well Drillers Licensed in the State of Nevada

The Statewide Well Driller's Advisory Board recommended to the State Engineer that licenses for 32 new well drillers be approved in 2012-2013 (listed below). As of May 2013, there were a total of 402 licensed drillers by the State of Nevada.

In the previous year 2011-2012, there were 35 newly licensed well drillers and a total of 394 licensed drillers in the State of Nevada.

Most applicant's are licensed as water well drillers, but some are issued limited (LTD) license's that pertain class or types of work e.g., M = monitor wells, ABDS = shallow dewater wells, R&P = recondition and plugging.

License Number	Driller's Name	License Number	Driller's Name
2472	Clinton Bronson	2473	Paul Forbes
2474	Steve Ulrich	2475-LTD	Alejandro Patricio-Lopez
2476	Brian Nordgren	2477-M	Paul Dorris
2478-LTD	Jerry Eichert	2479	Todd Cahill
2480	Mark Williams	2481	Kevin Simpson
2482	Daniel Macy	2483	Dale Olson
2484	Patrick Shanahan	2485	Bryan Rosequist
2486	William Rossi	2487	Edgar Sutherland
2488-LTD	Todd Cronister	2489-LTD	Justin Maples
2490-LTD	Eduardo Luis-Sanchez	2491	John Sherrill
2492	Richard Evans	2493	Kevin Lewis
2494	Jacob Behunin	2495	Jeremy Eklund
2496-LTD	Terry Kabler	2497-LTD	Ismael Sapien, Jr
2498-LTD	Curran Christensen	2499	Robert hurt

Reminders of Specific Deadlines & Reporting Periods

NAC 534.320(3)	Notice of Intent (NOI) shall be filed three (3) working days before the rig is set up to drill.
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NOI is valid for <u>sixty (60) days</u> from date of filing. If a NOI expires, a new notice must be filed prior to drilling and the previous NOI must be referenced on the new card. Drilling may start the day the new card is filed.

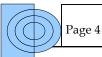
NRS 534.170 A Well Driller's Report shall be filed within thirty (30) days after the well is completed.

NAC 534.420(2)(b) The Division requires 24 hour notice before plugging a well.

Authorization to Drill & Site Inspections

Please note that the issuance of authorization to drill by NDWR does not waive the requirement that the driller and/or client obtain other permits from State, Federal, and local agencies. Furthermore, NDWR authorization does not extend the driller and/or client the right to ingress and egress on public, private or corporate lands.

Also, NDWR will be conducting increased site inspections, starting in May 2013.



Major Oil and Gas Exploration Coming to Nevada

Houston-based oil company Nobel Energy has announced plans to spend as much as \$130 million for oil exploration near Elko, Nevada. In recent years, technological advancements in horizontal drilling, hydraulic fracturing fluids, hydraulic fracturing techniques and oil field technology have enabled oil and gas companies to pursue sources in tight shale rock formations previously believed to be impractical to develop. As most well drillers probably know, hydraulic fracturing, also known as fracking, is the process of pumping a mixture of water, sand and chemicals into the well under high pressure to create fractures in the formation. These fractures allow for increased permeability, which allows oil and natural gas to flow at a much higher rate. Noble Energy has effectively used this technique in Colorado at the Wattenberg Field and is seeking to repeat that success here in Nevada. According to Noble, a typical oil well is drilled 6,000 to 12,000 feet vertically and can extend up to an additional 10,000 feet horizontally.

Will this exploration effort result in a new well drilling boom in Nevada? Only time will tell but remember, Hydraulic Fracturing is a water intensive process and any water wells drilled in support of exploration and production must be drilled by a Nevada licensed well driller.

What's new within the Division of Water Resources;

Tim Wilson is Appointed Manager of the Well Drilling Regulation and Adjudications Section of the Nevada Division of Water Resources

Tim Wilson has been appointed as the new manager of the Well Drilling Regulation and Adjudications Section, effective August 27, 2012. Mr. Wilson has been with the Division of Water Resources since 1995, including work for the Engineering Section from 1996 to 2000, where he assisted with the development of the 1998 Well Drilling Regulation revision and the well driller licensing examination. In addition, he was responsible for issuing waivers of the drilling regulations and conducted numerous well drilling site inspections. In his roles with the Division, he has met and worked with well drillers, contractors, academics, professionals, researchers, attorneys and regulators on a wide variety of water issues affecting the state on Nevada. Mr. Wilson recently worked to move the current well drilling regulations through the regulatory approval process and those revised regulations were adopted June 2012.

Mr. Wilson is a Nevada licensed Professional Engineer. He received a Bachelor of Science Degree in Chemical Engineering from the University of Nevada Reno and later received a Master of Science Degree in Civil Engineering with an emphasis on Environmental Engineering.

Matt Hein Accepts New Position with NDWR

Well Supervisor Matt Hein has accepted a new position within the Nevada Division of Water Resources and is no longer a part of the Well Drilling Section. Matt worked tirelessly on processing NOIs and Well Logs and assisted many a well driller on properly completing those forms. Matt will be missed, but we wish him the best in his new position within the Titles Section where we know he will continue his excellent work for the Division.

Log and Record of Work

Within 30 days after the completion of a well, the form titled <u>Well Driller's Report</u> must be filled out completely, signed by the active Nevada well driller and submitted to one of the Nevada Water Resource offices.

All <u>Well Driller's Report's</u> require the Owner's name and current address, the address of the physical well location, the Global Positioning System (GPS) location, Notice of Intent, Waiver and/or Permit numbers associated with the well, County, subdivision (if applicable), construction of the well as completed, the lithologic log and well testing data. All drilling operation must be accurately described in the Well Driller's Report. If errors are found during the review of a submitted Well Driller's Report, the report will be returned for correction to the licensed Nevada well driller who signed the report and the driller will have 30 days to correct the report and return it to the Division.

Responsibilities of Licensed Well Driller

NAC 534.330 Responsibilities of licensed well driller at drilling site

A well driller licensed by the State Engineer:

- 1. Must be present at the well-drilling site when the drill rig is in operation and when any activity involving the construction or plugging of the well is conducted. If the licensed well driller leaves the drilling site, the drilling operation must be shut down until that licensed well driller or another well driller licensed pursuant to this chapter returns to the site.
 - 2. Shall ensure that the drilling of the well complies with:
 - (a) The provisions of this chapter;
 - (b) The terms and conditions of any permit, waiver or order issued by the State Engineer; and
- (c) The requirements of all other federal, state and local agencies which have jurisdiction over the land on which the well is to be drilled.
- 3. Shall carry the well driller's license card when he or she is present at the drilling site and produce the card when requested to do so by a representative of the Division.